

49-11-604 Office audits of participating employers -- Penalties for failure to comply.

- (1)
 - (a) The office may perform on-site compliance audits of participating employers to determine compliance with reporting, contribution, and certification requirements under this title.
 - (b) The office may request records to be provided by the participating employer at the time of the audit.
 - (c) Audits shall be conducted at the sole discretion of the office after reasonable notice to the participating employer of at least five working days.
 - (d) The participating employer shall extract and provide records as requested by the office in an appropriate, organized, and usable format.
 - (e) Failure of a participating employer to allow access, provide records, or comply in any way with an office audit shall result in the participating employer being liable to the office for:
 - (i) any liabilities and expenses, including administrative expenses and travel expenses, resulting from the participating employer's failure to comply with the audit; and
 - (ii) a penalty equal to 1% of the participating employer's last month's contributions.
- (2) If the audit reveals a participating employer's failure to make contributions as required under Section 49-11-601, a failure to maintain records as required under Section 49-11-602, or a failure to correctly report or certify eligibility as required under Section 49-11-603, the participating employer shall reimburse the office for the cost of the audit.
- (3) If the audit reveals that an incorrect benefit has been paid by the office to a member, participant, alternate payee, or beneficiary due to a participating employer's failure to comply with the requirements of Section 49-11-601, 49-11-602, or 49-11-603, in addition to the liabilities contained in Subsection (2), the participating employer shall be liable to the office for the following:
 - (a) the actuarial cost of correcting the incorrect benefit; and
 - (b) administrative expenses.
- (4) The executive director may waive all or any part of the interest, penalties, expenses, and fees if the executive director finds there were extenuating circumstances surrounding the participating employer's failure to comply with this section.

Amended by Chapter 240, 2003 General Session